https://www.financial-planning.com/news/advisors-overall-confidence-sinks-to-new-lows

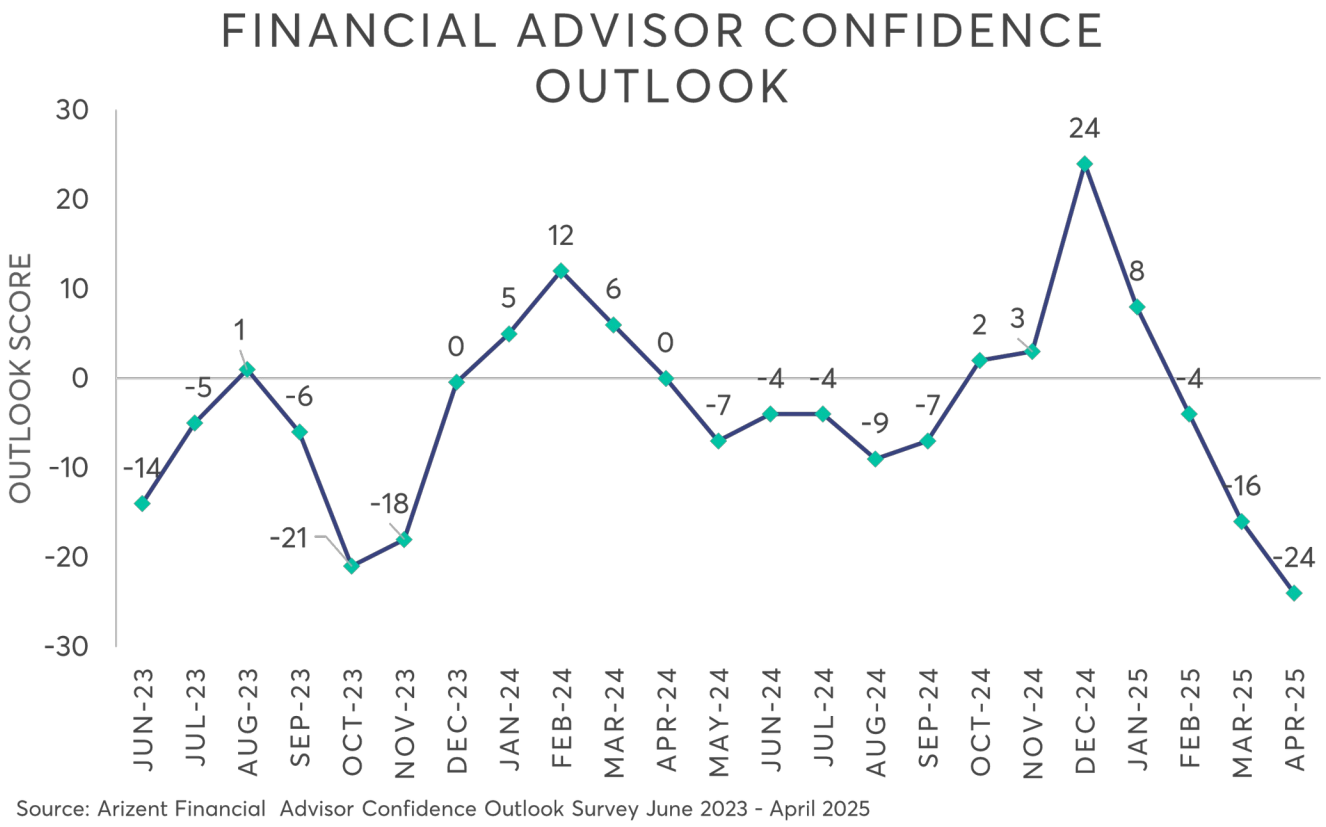
Advisors' overall confidence sinks to new lows as volatility reigns
By Rob Burgess
April 09, 2025, 1:49 p.m. EDT

Amid policy uncertainty and market volatility, financial advisors' confidence levels sank to new lows this month.

That's the overall sentiment reflected in the April Financial Advisor Confidence Outlook (FACO), a survey of financial advisors and planners by Financial Planning. Every month, FACO surveys hundreds of advisors, measuring their confidence in the economy and other factors on a scale of minus-100 to 100. (The survey began in March 2015, known then as the Retirement Advisor Confidence Index, later the Retirement Advisor Confidence Outlook and most recently as FACO.)

After last year's elections, advisors' overall confidence bounced upward, reaching all the way to a score of 24 in December 2024. But those gains were short-lived, dropping to a staggering minus-16 by March.

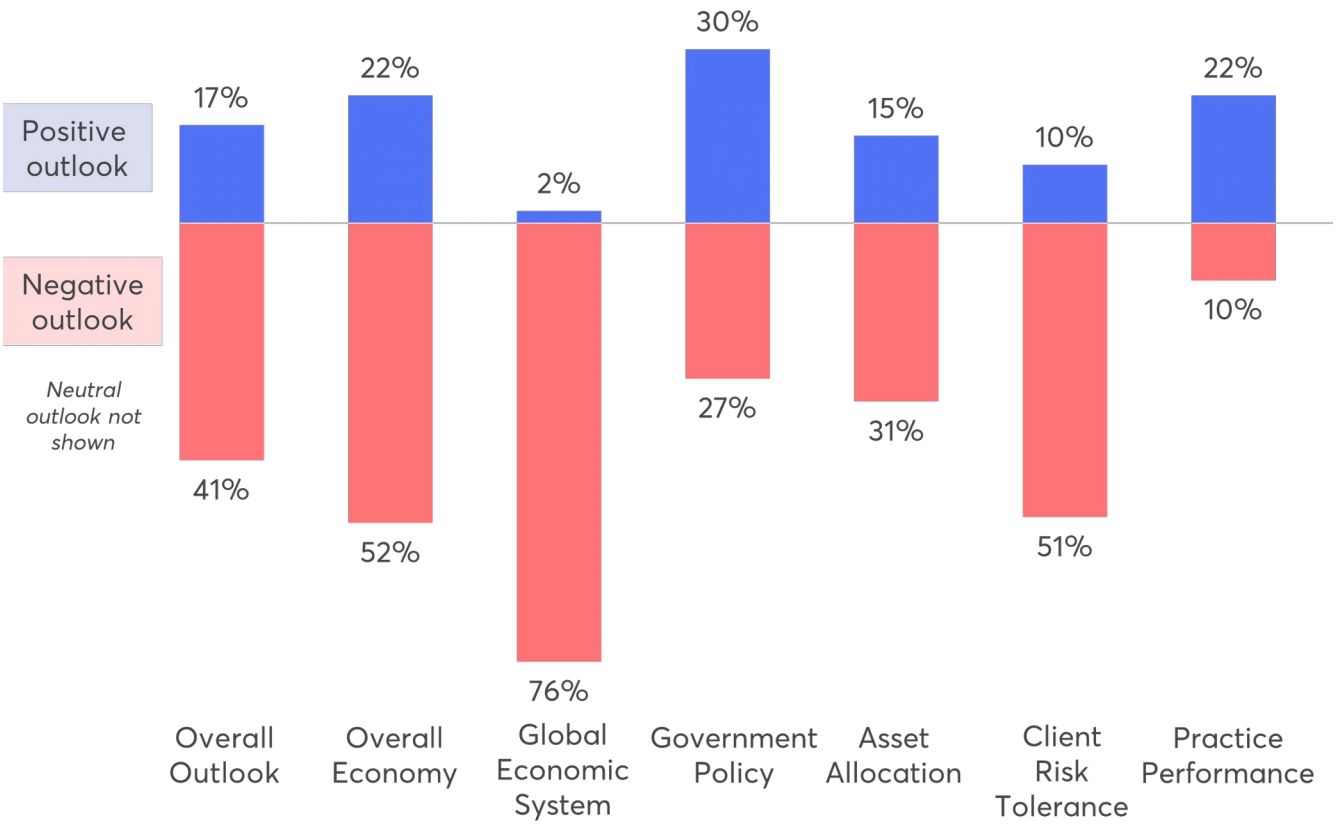
The landscape looked even bleaker this month, as the overall confidence score dropped all the way to minus-24, an all-time low for the survey. (By comparison, in April 2024, retirement advisors' overall confidence was essentially neutral, the score at 0.)



Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - April 2025

However, month over month, the rate of decline in overall confidence slowed somewhat, dropping eight points after having fallen 16 points in January and 12 points in both February and March.

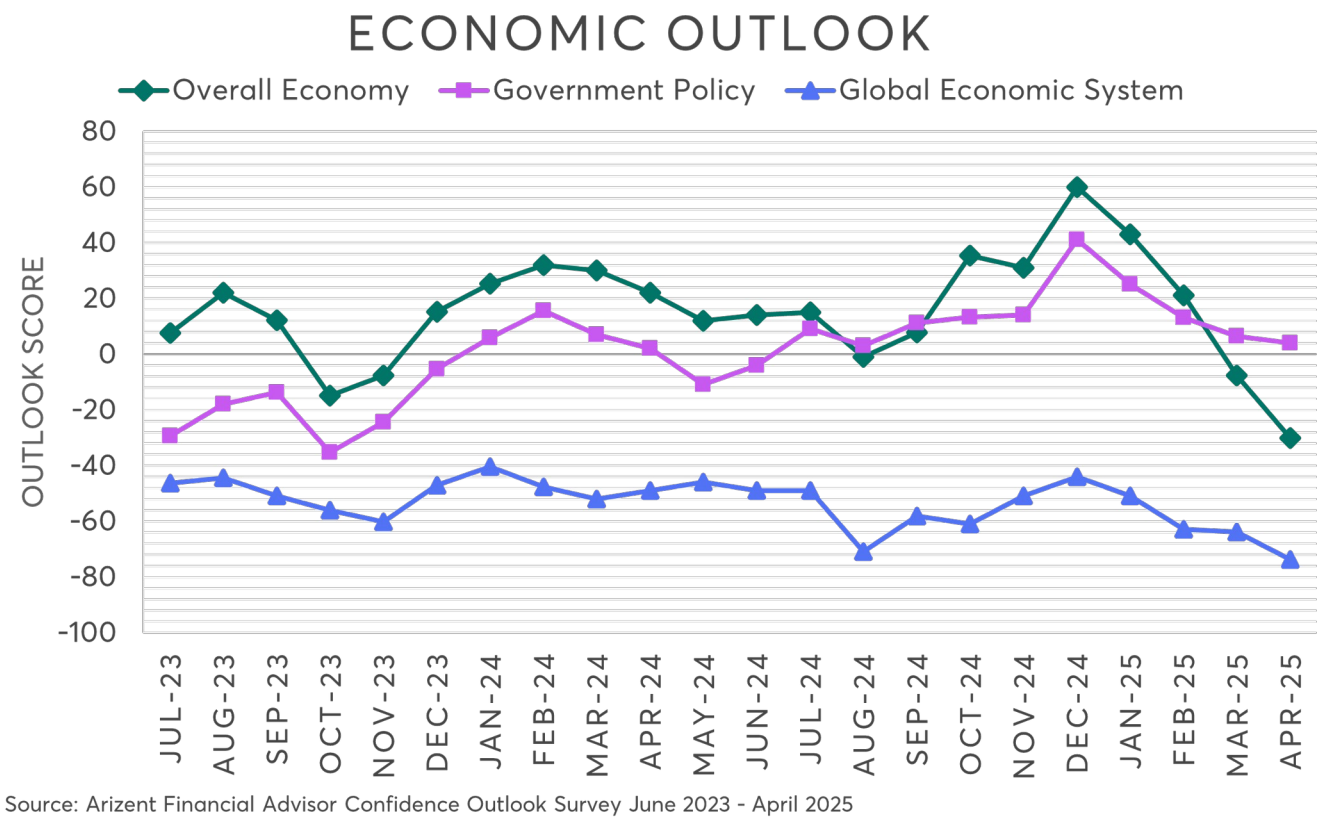
APRIL OUTLOOK COMPONENTS



Source: Arizent Financial Advisor Confidence Outlook Survey April 2025
Base: 218 Financial Advisors

A main driver of this month's sinking confidence scores was the overall economic category, which tumbled from minus-8 to minus-30 — also the worst score yet recorded.

"The chaos in Washington, D.C. is causing the greatest impact on the emotional health of my clients at this time," said one advisor.



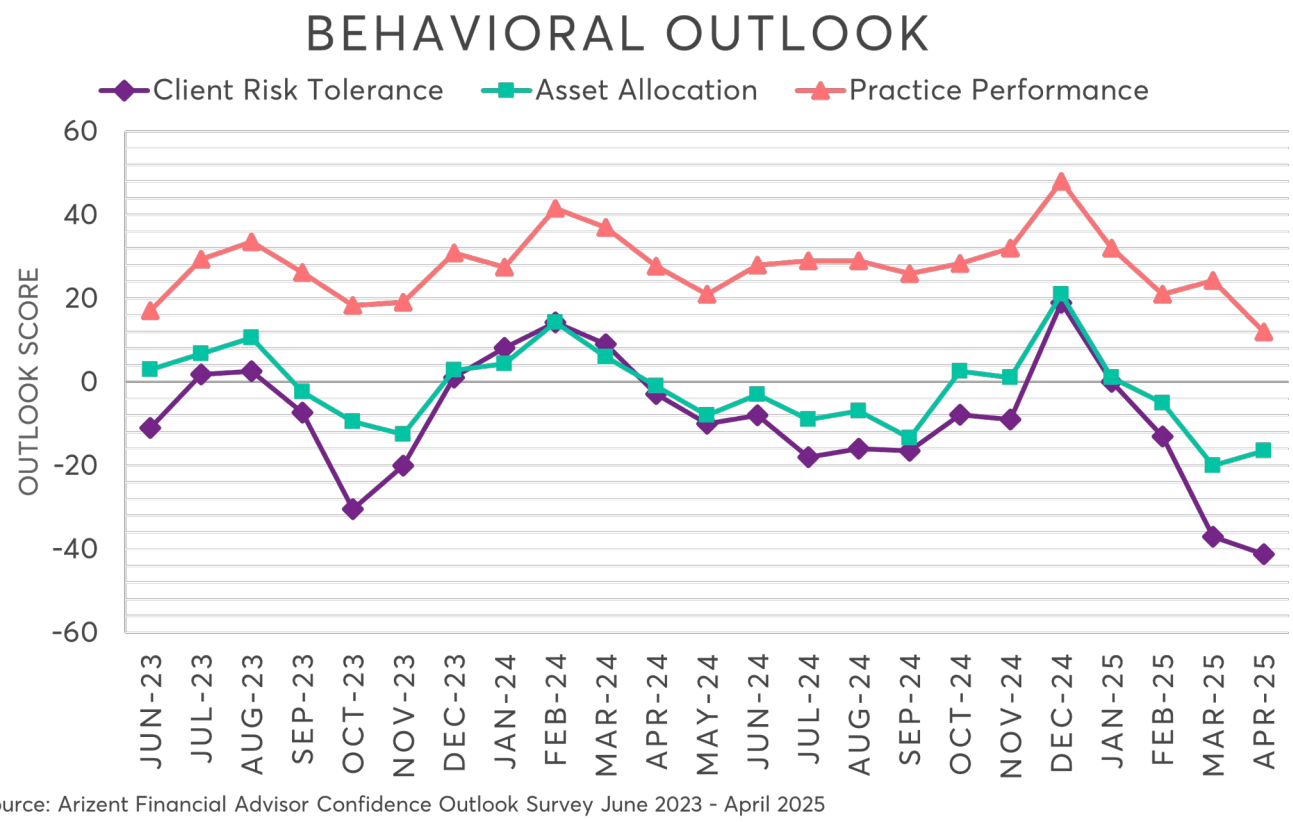
Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - April 2025

Just as they did last month, advisors cited the volatility that has been the hallmark of the second term of President Donald Trump as key to their discontentment, with one advisor singling out "the massive stupidity and complete lack of concern of the executive branch of the federal government."

"Everyone is upset over [Elon] Musk and Trump," said another advisor. "No one can figure out what is going on and how long that will last. And, of course, the impacts of it. We live in an interesting time."

Given the recent tariffs news, faith in the global economic system was also unsurprisingly poor, dropping from minus-64 in March to minus-74 in April, another all-time low.

"The uncertainty surrounding future trade policies, both domestically and internationally, is making it hard to provide long-term economic forecasts in our current advisory practice," said one advisor. "This uncertainty affects our business outlook."



Source: Arizent Financial Advisor Confidence Outlook Survey June 2023 - April 2025

Client risk tolerance also took a hit, going from minus-37 in March to minus-41 in April, a record low for the category.

"We have to stay focused on the long-term, making sure our clients are invested in an appropriate way for their level of risk and their need for distributions," said one advisor.

Confidence in practice performance also reached further into the red than ever, dropping 12 points in April from 24 in March.

Some advisors cited a perceived threat from artificial intelligence to their practices as increasingly worrying, with one advisor saying the technology is leading "folks [to] thinking they do not need advisors as much."

Another advisor cited concerns over "innovation in AI to be used more in investment decisions."

Not every category achieved the all-time ignoble lows, though.

Despite concerns over market volatility and more, advisors remained relatively steady in their outlook on government policy, which dropped only slightly, from a 6 in March to a 4 in April.

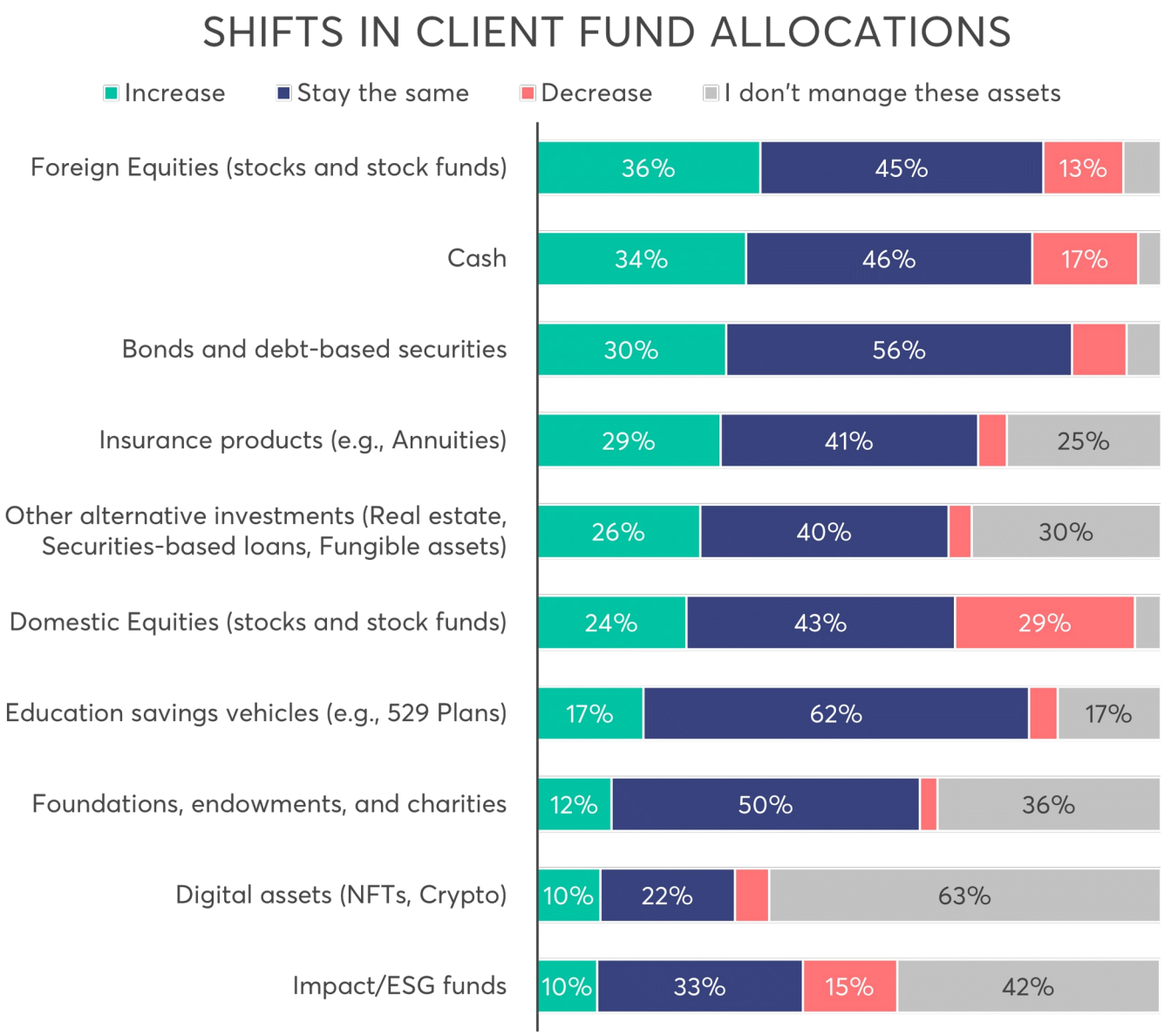
"The White House is moving forward with real solutions, we just need 18 to 24 months and we will be past the initial wave," said one advisor.

Another advisor said they hoped for more clarity on which of the Trump administration's dramatic policy shifts would stand the test of time.

"It would be nice if I knew which governmental changes were going to stick instead of being rolled back," they said.

While one advisor said they were a supporter of both Trump and Musk, "the executive orders seem to be flying out very quickly."

"Therefore, there is no 'heads up' which makes info more difficult to gather prior to release," they said.



Source: Arizent Financial Advisor Confidence Outlook Survey April 2025
How do you expect the distribution of funds you manage to shift among these different asset types in the coming month? In the coming month I expect the proportional allocation of funds I manage will…
Base: 218 Financial Advisors

Asset allocations went from minus-20 in March to minus-17, the only category to see a change for the better.

"I'm very positive about the outlook," said one advisor. "Volatility is generally good for my industry. People have less confidence in their own ability and seek advice."